

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 34, line 29, after "section" insert ", **IC 36-7-12-27**,".
- 2 Page 43, line 37, after "chapter" delete "." and insert ", **after**
- 3 **subtracting any distributions to the unit from the public deposit**
- 4 **insurance fund that will be used for benefit payments.**".
- 5 Page 44, delete lines 8 through 10.
- 6 Page 45, between lines 21 and 22, begin a new paragraph and insert:
- 7 "SECTION 36. IC 5-13-12-4 IS AMENDED TO READ AS
- 8 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The
- 9 secretary-investment manager shall administer, manage, and direct the
- 10 affairs and activities of the board under the policies and under the
- 11 control and direction of the board. In carrying out these duties, the
- 12 secretary-investment manager has the power to do the following:
- 13 (1) Approve all accounts for salaries and allowable expenses of
- 14 the board, including, but not limited to:
- 15 (A) the employment of general or special attorneys,
- 16 consultants, and employees and agents as may be necessary to
- 17 assist the secretary-investment manager in carrying out the
- 18 duties of that office and to assist the board in its consideration
- 19 of applications for a guarantee of an industrial development
- 20 obligation or credit enhancement obligation guarantee; and
- 21 (B) the setting of compensation of persons employed under
- 22 ~~subdivision~~ **clause (A)**.
- 23 (2) Approve all expenses incidental to the operation of the public
- 24 deposit insurance fund.
- 25 (3) Perform other duties and functions that may be delegated to
- 26 the secretary-investment manager by the board or that are
- 27 necessary to carry out the duties of the secretary-investment
- 28 manager under this chapter.
- 29 (b) The secretary-investment manager shall keep a record of the
- 30 proceedings of the board, and shall maintain and be custodian of all
- 31 books, documents, and papers filed with the board, and its official seal.

1 The secretary-investment manager may make copies of all minutes and
 2 other records and documents of the board, and may give certificates
 3 under seal of the board to the effect that the copies are true copies. All
 4 persons dealing with the board may rely upon the certificates.

5 (c) Each year, beginning in 2001 and ending in ~~2011~~, **2021**, after the
 6 treasurer of state prepares the annual report required by IC 4-8.1-2-14,
 7 the secretary-investment manager shall determine:

8 (1) the amount of interest earned by the public deposit insurance
 9 fund during the state fiscal year ending on the preceding June 30,
 10 after deducting:

11 (A) all expenses and other costs of the board for depositories
 12 that were not paid from other sources during that state fiscal
 13 year; and

14 (B) all expenses and other costs associated with the Indiana
 15 education savings authority that were not paid from other
 16 sources during that state fiscal year; and

17 (2) the amount of interest earned during the state fiscal year
 18 ending on the preceding June 30 by the pension distribution fund
 19 established by subsection (g).

20 (d) On or before November 1 of each year, beginning in 2001 and
 21 ending in ~~2011~~, **2021**, the public employees' retirement fund shall
 22 provide a report to the secretary-investment manager concerning the
 23 individual and aggregate payments made by all units of local
 24 government (as defined in IC 5-10.3-11-3) during the preceding
 25 calendar year for benefits under the police and firefighter pension funds
 26 established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

27 (e) On or before the last business day of November of each year,
 28 beginning in 2001 and ending in ~~2011~~, **2021**, the secretary-investment
 29 manager shall compute the amount of earned interest to be distributed
 30 under this section to each unit of local government (as defined in
 31 IC 5-10.3-11-3) in accordance with subsection (h) according to the
 32 following formula:

33 STEP ONE: Add the amount determined under subsection (c)(1)
 34 to the amount determined under subsection (c)(2).

35 STEP TWO: Divide the STEP ONE sum by the aggregate amount
 36 of payments made by all units of local government during the
 37 preceding calendar year for benefits under the police and
 38 firefighter pension funds established by IC 36-8-6, IC 36-8-7, and
 39 IC 36-8-7.5, as reported under subsection (d).

40 STEP THREE: Multiply the STEP TWO quotient by the amount
 41 of payments made by each unit of local government during the
 42 preceding calendar year for benefits under the police and
 43 firefighter pension funds established by IC 36-8-6, IC 36-8-7, and
 44 IC 36-8-7.5, as reported under subsection (d).

45 (f) Subject to subsection (j), on or before the last business day of
 46 December of each year, beginning in 2001 and ending in ~~2011~~, **2021**,
 47 the secretary-investment manager shall provide to the auditor of state:

(1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and

(2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection (g) in an amount equal to the amount determined under subsection (c)(1).

(g) The pension distribution fund is established. The pension distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

(h) Subject to subsection (j), on June 30 and October 1 of each year, beginning in 2002 and ending in ~~2012~~, **2022**, the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

(i) Each unit of local government shall deposit distributions received under subsection (h) in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

(j) Before providing a check to the auditor of state under subsection (f)(2) in December of any year, the secretary-investment manager shall determine:

(1) the total amount of payments made from the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001;

(2) the total amount of payments received by the board for depositories and deposited in the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001; and

(3) the total amount of interest earned by the public deposit insurance fund after the first of the payments described in subdivision (1).

If the total amount of payments determined under subdivision (1) less the total amount of payments determined under subdivision (2) (referred to in this subsection as the "net draw on the fund") exceeds ten million dollars (\$10,000,000) and also exceeds the total amount of interest determined under subdivision (3), the secretary-investment manager may not provide a check to the auditor of state under subsection (f)(2) and a distribution may not be made from the pension distribution fund under subsection (h) in the following calendar year until the total amount of interest earned by the public deposit insurance fund equals the net draw on the fund. A check may not be provided under subsection (f)(2) and a distribution may not be made under subsection (f) in any subsequent calendar year if a study conducted by the board under section 7(b) of this chapter demonstrates that payment

of the distribution would reduce the balance of the public deposit insurance fund to a level insufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency."

Page 102, line 1, strike "for property taxes first due and payable:".

Page 102, reset in roman line 5.

Page 102, line 5, after "(\$45,000)" delete ";" and insert ".".

Page 102, line 6, delete "(A)".

Page 102, line 6, strike "after December 31, 2008, and before January 1, 2010,".

Page 102, strike line 7.

Page 102, line 8, delete "(B)".

Page 102, line 8, strike "after December 31, 2009, and before January 1, 2011,".

Page 102, strike line 9.

Page 102, line 10, delete "(C)".

Page 102, line 10, strike "after December 31, 2010, and before January 1, 2012,".

Page 102, strike line 11.

Page 102, line 12, delete "(D)".

Page 102, line 12, strike "after December 31, 2011, and before January 1, 2013,".

Page 102, strike line 13.

Page 102, line 14, delete "(E)".

Page 102, strike line 15.

Page 102, line 14, strike "after December 31, 2012, forty thousand dollars".

Page 102, between lines 22 and 23, begin a new paragraph and insert:

"(e) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(f) The county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property."

Page 145, line 10, after "to" insert "civil taxing units located in".

Page 145, line 12, delete "A" and insert **"This section applies to a"**.

Page 145, line 12, after "county" insert **". If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit"**.

Page 170, line 38, delete "The" and insert **"Subject to subsection (d), the"**.

Page 171, line 13, delete "For" and insert **"Subject to subsection**

- 1 (d), for".
- 2 Page 171, between lines 25 and 26, begin a new paragraph and
- 3 insert:
- 4 **"(d) The exemptions under subsections (a) and (b) from the ad**
- 5 **valorem property tax levy limits do not apply to a civil taxing unit**
- 6 **that did not fund a community mental health center or community**
- 7 **mental retardation and other developmental disabilities center in**
- 8 **2008."**
- 9 Page 174, line 4, delete "(or to the".
- 10 Page 174, delete line 5.
- 11 Page 174, line 6, delete "13(a)(13) of this chapter)".
- 12 Page 174, delete line 22.
- 13 Page 174, line 23, delete "section 13(a)(13) of this chapter)".
- 14 Page 174, line 28, delete "(or the distressed unit appeal board in the
- 15 case of an appeal".
- 16 Page 174, line 29, delete "under section 13(a)(13) of this chapter)".
- 17 Page 174, line 32, delete "(or".
- 18 Page 174, delete line 33.
- 19 Page 174, line 34, delete "section 13(a)(13) of this chapter)".
- 20 Page 175, line 41, delete "(or the distressed unit appeal board, in".
- 21 Page 175, line 42, delete "the case of an appeal under subdivision
- 22 (13))".
- 23 Page 182, line 35, strike "A levy increase may not be granted under
- 24 this subdivision".
- 25 Page 182, line 36, strike "for property taxes first due and payable
- 26 after December 31,".
- 27 Page 182, line 37, delete "2008.".
- 28 Page 183, line 16, delete ". The distressed unit appeal" and insert
- 29 **"due to a natural disaster, an accident, or another unanticipated**
- 30 **emergency."**
- 31 Page 183, delete lines 17 through 18.
- 32 Page 188, line 24, delete "the adoption of the" and insert **"receipt of**
- 33 **a written request from the political subdivision proposing"**.
- 34 Page 188, line 25, delete "preliminary resolution".
- 35 Page 188, between lines 41 and 42, begin a new line double block
- 36 indented and insert:
- 37 **"If the Indiana economic development corporation does**
- 38 **not issue or deny the requested finding within fifteen (15)**
- 39 **days after receiving the political subdivision's written**
- 40 **request, the project is not considered a controlled project**
- 41 **for purposes of this chapter."**
- 42 Page 189, line 7, after "operation" delete "of" and insert **"or"**.
- 43 Page 189, between lines 12 and 13, begin a new line double block
- 44 indented and insert:
- 45 **"(D) The project is to be financed with bonds issued or a**
- 46 **lease entered into during the one (1) year period described**
- 47 **in this clause. The political subdivision may make a written**

request to the Indiana economic development corporation for a finding stating that none of the projects in a specified allocation area are to be considered controlled projects for purposes of this chapter if the bonds or leases for the projects are issued or entered into during a one (1) year period specified by the corporation. Before making a finding under this clause, the Indiana economic development corporation must consider whether the issuance of the finding will:

- (i) lead to increased investment in Indiana;
- (ii) foster job creation or job retention in Indiana;
- (iii) have a positive impact on the political subdivision in which the projects will be located; or
- (iv) otherwise benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.

If the Indiana economic development corporation does not issue or deny the requested finding within fifteen (15) days after receiving the political subdivision's written request, projects in the allocation area described in the request are not considered controlled projects for purposes of this chapter during the one (1) year period following the corporation's receipt of the request."

Page 202, line 24, delete "The" and insert "However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the".

Page 202, line 38, after "after" insert "determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after".

Page 202, line 39, after "(8)" delete "," and insert " (as applicable)".

Page 202, line 40, delete "the number of petitioners who are registered" and insert "whether a sufficient number of persons have signed the petition."

Page 202, delete lines 41 through 42.

Page 203, delete line 1.

Page 215, line 17, strike "and".

Page 215, line 20, delete "." and insert "; and".

Page 215, between lines 20 and 21, begin a new line block indented and insert:

"(3) shall provide that some or all of the property taxes that:

(A) are being imposed to pay bonds, leases, or other debt obligations; and

(B) would otherwise be included in the calculation of the credit under IC 6-1.1-20.6 in the county;

shall not be included for purposes of calculating a person's credit under IC 6-1.1-20.6."

Page 217, line 4, delete "six (6)" and insert "eight (8)".

Page 217, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 210. IC 6-1.1-20.6-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.4. As used in this chapter:**

(1) "manufactured home" has the meaning set forth in IC 22-12-1-16; and

(2) "mobile home" has the meaning set forth in IC 16-41-27-4."

Page 217, line 38, delete "either" and insert "any".

Page 218, delete lines 5 through 42, begin a new line block indented and insert:

"(3) Land rented or leased for the placement of a manufactured home or mobile home.

SECTION 212. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 7. (a) This subsection expires January 1, 2009.** In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to

(A) the person's qualified residential property located in the county, in the case of a calendar year before 2008; or

(B) the person's homestead. (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before ~~2010~~; **2009**; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to

(A) the person's qualified residential property, in the case of a calendar year before 2008; or

(B) the person's homestead property, in the case of a calendar year after 2007 and before ~~2010~~; **2009**;

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property (in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before ~~2010~~) **2009**) for property taxes first due and payable in that calendar year, as adjusted under subsection ~~(c)~~: **(b)**.

(b) In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property located in the county; and

(2) the amount of the credit is equal to the following:

(A) In the case of property tax liability attributable to the person's homestead property; the amount of the credit is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year; as adjusted under subsection (c);

(B) In the case of property tax liability attributable to property other than homestead property; the amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year; as adjusted under subsection (c);

(c) (b) This subsection expires January 1, 2009. This subsection applies to property taxes first due and payable after December 31, 2007, and before January 1, 2009. The amount of a credit to which a person is entitled under subsection (a) or (b) in a county shall be adjusted as determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable) that is for tuition support levy property taxes:

STEP TWO: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable):

STEP THREE: Determine the result of:

(A) the STEP TWO amount; minus

(B) the STEP ONE amount:

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; divided by

(B) the STEP TWO amount:

STEP FIVE: Multiply the credit to which the person is entitled under subsection (a) or (b) by the STEP FOUR amount: **without including a taxpayer's property tax liability for tuition support.**

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

(c) This subsection applies to property taxes first due and payable in 2009. A person is entitled to a credit against the person's property tax liability for property taxes first due and payable in 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:

- (1) homestead exceeds one and five-tenths percent (1.5%);**
- (2) residential property exceeds two and five-tenths percent (2.5%);**
- (3) long term care property exceeds two and five-tenths percent (2.5%);**
- (4) agricultural land exceeds two and five-tenths percent (2.5%);**
- (5) nonresidential real property exceeds three percent (3%);**
- or**
- (6) personal property exceeds three percent (3%);**

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

(d) This subsection applies to property taxes first due and payable in 2009. Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section."

Page 303, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 304. IC 6-3-4-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 16. For individual income tax returns filed after December 31, 2010, the department shall develop procedures to implement a system of crosschecks between:**

- (1) employer WH-3 forms (annual withholding tax reports) with accompanying W-2 forms; and**
- (2) individual taxpayer W-2 forms.**

SECTION 305. IC 6-3-4-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 17. Beginning after December 31, 2010, the department and the office of management and budget shall:**

- (1) develop a quarterly report that summarizes the amount reported to and processed by the department under sections 4.1(h) and 15.7(a)(3) of this chapter, IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), IC 6-3.5-7-18(c), and IC 6-3.5-8-22(c) for each county; and**
- (2) make the quarterly report available to county auditors within forty-five (45) days after the end of the calendar quarter."**

Page 305, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 308. IC 6-3.5-1.1-9, AS AMENDED BY P.L.224-2007, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). The ~~department~~ **budget agency** shall provide **the county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced

1 distribution is necessary to offset overpayments made in a calendar
 2 year before the calendar year of the distribution. The department, after
 3 reviewing the recommendation of the budget agency, may reduce the
 4 amount of the certified distribution over several calendar years so that
 5 any overpayments are offset over several years rather than in one (1)
 6 lump sum.

7 (d) The department, after reviewing the recommendation of the
 8 budget agency, shall adjust the certified distribution of a county to
 9 correct for any clerical or mathematical errors made in any previous
 10 certification under this section. The department, after reviewing the
 11 recommendation of the budget agency, may reduce the amount of the
 12 certified distribution over several calendar years so that any adjustment
 13 under this subsection is offset over several years rather than in one (1)
 14 lump sum.

15 (e) The department, after reviewing the recommendation of the
 16 budget agency, shall adjust the certified distribution of a county to
 17 provide the county with the distribution required under section 10(b)
 18 of this chapter.

19 (f) This subsection applies to a county that:

- 20 (1) initially imposes the county adjusted gross income tax; or
- 21 (2) increases the county adjusted income tax rate;

22 under this chapter in the same calendar year in which the department
 23 makes a certification under this section. The department, after
 24 reviewing the recommendation of the budget agency, shall adjust the
 25 certified distribution of a county to provide for a distribution in the
 26 immediately following calendar year and in each calendar year
 27 thereafter. The department shall provide for a full transition to
 28 certification of distributions as provided in subsection (a)(1) through
 29 (a)(2) in the manner provided in subsection (c).

30 (g) The department, after reviewing the recommendation of the
 31 budget agency, shall adjust the certified distribution of a county to
 32 provide the county with the distribution required under section 3.3 of
 33 this chapter beginning not later than the tenth month after the month in
 34 which additional revenue from the tax authorized under section 3.3 of
 35 this chapter is initially collected.

36 (h) This subsection applies in the year in which a county initially
 37 imposes a tax rate under section 24 of this chapter. Notwithstanding
 38 any other provision, the department shall adjust the part of the county's
 39 certified distribution that is attributable to the tax rate under section 24
 40 of this chapter to provide for a distribution in the immediately
 41 following calendar year equal to the result of:

- 42 (1) the sum of the amounts determined under STEP ONE through
- 43 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
- 44 initially imposes a tax rate under section 24 of this chapter;
- 45 multiplied by
- 46 (2) two (2)."

47 Page 314, line 18, delete "The" and insert "**Except as provided in**

1 subsection (j), the".

2 Page 314, line 20, strike "Any tax revenue that is attributable to the
3 tax rate under".

4 Page 314, strike lines 21 through 32.

5 Page 314, line 33, strike "this subdivision during that calendar year."
6 and insert **"The local property tax replacement credits shall be
7 treated for all purposes as property tax levies. The county auditor
8 shall determine the local property tax replacement credit
9 percentage for a particular year based on the amount of tax
10 revenue that will be used under this subdivision to provide local
11 property tax replacement credits in that year."**

12 Page 317, between lines 24 and 25, begin a new line blocked left
13 and insert:

14 **"The county council may before October 1 of a year adopt an
15 ordinance changing the purposes for which tax revenue
16 attributable to a tax rate under this section shall be used in the
17 following year."**

18 Page 318, between lines 1 and 2, begin a new paragraph and insert:

19 **"(j) A taxpayer that owns an industrial plant located in Jasper
20 County is ineligible for a local property tax replacement credit
21 under this section against the property taxes due on the industrial
22 plant if the assessed value of the industrial plant as of March 1,
23 2006, exceeds twenty percent (20%) of the total assessed value of
24 all taxable property in the county on that date. The general
25 assembly finds that the provisions of this subsection are necessary
26 because the industrial plant represents such a large percentage of
27 Jasper County's assessed valuation."**

28 Page 318, line 13, strike "political".

29 Page 318, line 14, strike "subdivisions" and insert **"civil taxing
30 units"**.

31 Page 318, line 18, strike "political".

32 Page 318, line 19, strike "subdivisions" and insert **"civil taxing
33 units"**.

34 Page 323, between lines 36 and 37, begin a new paragraph and
35 insert:

36 **"SECTION 318. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007,
37 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of
39 the county option income tax shall, in the manner prescribed by this
40 section, be distributed to the county that imposed it. The amount that
41 is to be distributed to a county during an ensuing calendar year equals
42 the amount of county option income tax revenue that the department,
43 after reviewing the recommendation of the budget agency, determines
44 has been:**

45 (1) received from that county for a taxable year ending in a
46 calendar year preceding the calendar year in which the
47 determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made; as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). The ~~department~~ **budget agency** shall provide ~~the county council~~ with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**
- (2) adjustments for over distributions in prior years;**
- (3) adjustments for clerical or mathematical errors in prior years;**
- (4) adjustments for tax rate changes; and**
- (5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.**

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions."

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the

certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 319. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and

1 computer facilities district as provided in an election, if any, made
2 by the county fiscal body under IC 36-8-15-19(b);

3 (3) fund the operation of a public transportation corporation ~~as~~
4 ~~provided in an election; if any, made by the county fiscal body~~
5 ~~under IC 36-9-4-42; established under IC 36-9-4;~~

6 (4) make payments permitted under IC 36-7-15.1-17.5;

7 (5) make payments permitted under subsection (i);

8 (6) make distributions of distributive shares to the civil taxing
9 units of a county; and

10 (7) make the distributions permitted under sections 27, 28, 29, 30,
11 31, 32, and 33 of this chapter.

12 (b) The county auditor shall retain from the payments of the county's
13 certified distribution, an amount equal to the revenue lost, if any, due
14 to the increase of the homestead credit within the county. This money
15 shall be distributed to the civil taxing units and school corporations of
16 the county as though they were property tax collections and in such a
17 manner that no civil taxing unit or school corporation shall suffer a net
18 revenue loss due to the allowance of an increased homestead credit.

19 (c) The county auditor shall retain:

20 (1) the amount, if any, specified by the county fiscal body for a
21 particular calendar year under subsection (i), IC 36-7-15.1-17.5,
22 IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified
23 distribution for that same calendar year; and

24 (2) the amount of an additional tax rate imposed under section 27,
25 28, 29, 30, 31, 32, or 33 of this chapter.

26 The county auditor shall distribute amounts retained under this
27 subsection to the county.

28 (d) All certified distribution revenues that are not retained and
29 distributed under subsections (b) and (c) shall be distributed to the civil
30 taxing units of the county as distributive shares.

31 (e) The amount of distributive shares that each civil taxing unit in
32 a county is entitled to receive during a month equals the product of the
33 following:

34 (1) The amount of revenue that is to be distributed as distributive
35 shares during that month; multiplied by

36 (2) A fraction. The numerator of the fraction equals the allocation
37 amount for the civil taxing unit for the calendar year in which the
38 month falls. The denominator of the fraction equals the sum of the
39 allocation amounts of all the civil taxing units of the county for
40 the calendar year in which the month falls.

41 (f) The department of local government finance shall provide each
42 county auditor with the fractional amount of distributive shares that
43 each civil taxing unit in the auditor's county is entitled to receive
44 monthly under this section.

45 (g) Notwithstanding subsection (e), if a civil taxing unit of an
46 adopting county does not impose a property tax levy that is first due
47 and payable in a calendar year in which distributive shares are being

distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents."

Page 334, line 7, strike "civil taxing units and".

Page 334, strike lines 8 through 34.

Page 334, line 35, strike "property tax levies." and insert **"all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year."**

Page 337, between lines 40 and 41, begin a new line blocked left and insert:

"The county income tax council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year."

Page 343, between lines 34 through 35, begin a new paragraph and insert:

"SECTION 325. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2008]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the department determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). The ~~department~~ **budget agency** shall provide ~~the county council~~ with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) After reviewing the recommendation of the budget agency, the department shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the

certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(f) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 25 or 26 of this chapter to provide additional homestead credits as provided in those provisions.

(g) This subsection applies to a county that:

(1) initially imposed the county economic development income tax; or

(2) increases the county economic development income rate; under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (c)."

Page 360, line 33, after "fund" delete ";" and insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund;"**.

Page 363, line 35, after "fund" insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund,"**.

Page 366, line 24, after "district" delete ";" and insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district;"**.

Page 371, line 25, after "fund" delete ";" and insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund;"**.

Page 374, line 6, after "district" delete ";" and insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district;"**.

Page 376, line 23, after "district" delete ";" and insert **"plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district;"**.

Page 383, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 344. IC 8-14-15-8, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The trustee shall:

- (1) administer and manage the trust;
- (2) invest the money in the trust; and
- (3) deposit in the trust any ~~interest income~~ that accrues from the investment of these funds.

(b) notwithstanding IC 5-13, the trustee shall invest the money in the trust not currently needed to meet the obligations of the trust in the same manner as money is invested by the public employees' retirement fund under IC 5-10.3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5. The trustee may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the trust and may pay the state expenses incurred under those contracts from the trust.

(c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established under this chapter.

(d) Money in the trust at the end of a state fiscal year does not revert to the state general fund.

SECTION 345. IC 8-14-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The principal of the trust may not be diminished during the term of the trust.

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On March 15, 2011, March 15, 2016, and March 15 every five (5) years thereafter, the treasurer of state shall transfer all ~~interest income~~ accruing to the trust to the major moves construction fund.

SECTION 346. IC 8-14-16-5, AS AMENDED BY P.L.232-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. Money in the fund may be expended only for the following purposes:

- (1) Construction of highways, roads, and bridges.
- (2) In a county that is a member of the northwest Indiana regional development authority, or in a city or town located in such a county, any purpose for which the regional development authority may make expenditures under IC 36-7.5.
- (3) Providing funding for economic development projects (as defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A) through IC 6-3.5-7-13.1(c)(2)(K)).
- (4) Matching federal grants for a purpose described in this section.
- (5) Providing funding for interlocal agreements under IC 36-1-7 for a purpose described in this section.
- (6) Providing the county's, city's, or town's contribution to a regional development authority established under IC 36-7.6-2-3.
- (7) Making a donation to a charitable nonprofit community foundation under IC 36-1-14-1."**

Page 437, line 22, after "5." insert "(a)".

Page 437, line 23, delete "a particular calendar year" and insert

1 **"2009".**

2 Page 437, line 29, after "fund" delete "." and insert **"for 2009."**

3 Page 437, between lines 37 and 38, begin a new paragraph and
4 insert:

5 **"(b) A school corporation's circuit breaker replacement amount**
6 **for 2010 is equal to the result of:**

7 **(1) the result under subsection (a) STEP THREE for the**
8 **school corporation in 2009; multiplied by**

9 **(2) fifty million dollars (\$50,000,000), rounding to the nearest**
10 **dollar (\$1)."**

11 Page 439, delete lines 38 through 42, begin a new paragraph and
12 insert:

13 **"(b) Each year that a school corporation receives a grant under**
14 **this chapter, the school corporation shall:**

15 **(1) reduce the school corporation's debt service levy that**
16 **would otherwise be imposed for the year by an amount equal**
17 **to the grant received under this chapter for that year; and**

18 **(2) reduce the total property tax levy for the school**
19 **corporation's transportation, school bus replacement, capital**
20 **projects, and art association and historical society funds as**
21 **appropriate, in an amount equal to the grant received under**
22 **this chapter for that year."**

23 Page 440, delete lines 1 through 3.

24 Page 466, between lines 11 and 12, begin a new paragraph and
25 insert:

26 **"SECTION 481. IC 20-43-11.5 IS ADDED TO THE INDIANA**
27 **CODE AS A NEW CHAPTER TO READ AS FOLLOWS**
28 **[EFFECTIVE JULY 1, 2008]:**

29 **Chapter 11.5. New Facility Adjustment**

30 **Sec. 1. (a) A school corporation may appeal to the department**
31 **of local government finance under IC 6-1.1-19 for a new facility**
32 **adjustment to increase the school corporation's tuition support**
33 **distribution for the following year by the amount described in**
34 **section 2 of this chapter.**

35 **(b) Upon the demonstration by the school corporation to the**
36 **department of local government finance that an adjustment is**
37 **necessary to pay increased costs to open:**

38 **(1) a new school facility; or**

39 **(2) an existing facility that has not been used for at least three**

40 **(3) years and that is being reopened to provide additional**
41 **classroom space;**

42 **the department of local government finance may grant the appeal.**

43 **Sec. 2. (a) If a school corporation's appeal under this chapter is**
44 **granted, the department shall, subject to amounts appropriated,**
45 **distribute to the school corporation the amount of the new facility**
46 **adjustment approved by the department of local government**
47 **finance.**

(b) A new facility adjustment:

(1) is in addition to the amount of the state tuition support distribution to which the school corporation is entitled under other provisions of this article; and

(2) may not be included in the school corporation's state tuition support distribution for the year following the year in which the increase applies."

Page 468, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 484. IC 20-46-1-8, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) This section applies to a school corporation that includes a request for a levy under this chapter in an emergency appeal under IC 6-1.1-19 and IC 20-45-6-2.

(b) In addition to, or instead of, any recommendation that the tax control board may make in an appeal, the tax control board may recommend that the appellant school corporation be permitted to make a levy for the ensuing calendar year under this chapter. **Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot if the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter. The governing body of the school corporation shall certify a copy of the resolution to the county fiscal body of each county in which the school corporation is located.**

SECTION 485. IC 20-46-1-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. A tax control board recommendation referendum tax levy under this chapter may be put into effect only if

(1) a majority of the individuals who vote in a referendum that is conducted in accordance with this section and sections 10 through 19 of this chapter approves the appellant school corporation's making a levy for the ensuing calendar year.

(2) the department of local government finance approves the recommendation in writing; and

(3) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted.

SECTION 486. IC 20-46-1-12, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. **If a school corporation adopts a resolution under section 8 of this chapter, the tax control board shall act county fiscal body must** under IC 3-10-9-3 to certify the question to be voted on at the referendum to the county election board of each county in which any part of the appellant school corporation is

1 located."

2 Page 469, delete lines 1 through 9.

3 Page 472, between lines 19 and 20, begin a new paragraph and
4 insert:

5 "SECTION 498. IC 20-46-4-10, AS ADDED BY P.L.2-2006,
6 SECTION 169, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) A school corporation
8 may appeal to the ~~department of local government finance under~~
9 ~~IC 6-1.1-19~~ **county fiscal body of the county in which the school**
10 **corporation has the largest part of its net assessed value** to increase
11 the maximum levy permitted for the school corporation's fund. To be
12 granted an increase by the ~~department of local government finance;~~
13 **county fiscal body**, the school corporation must establish that the
14 increase is necessary because of a transportation operating cost
15 increase of at least ten percent (10%) over the preceding year as a
16 result of at least one (1) of the following:

- 17 (1) A fuel expense increase.
- 18 (2) A significant increase in the number of students enrolled in
19 the school corporation that need transportation or a significant
20 increase in the mileage traveled by the school corporation's buses
21 compared with the previous year.
- 22 (3) A significant increase in the number of students enrolled in
23 special education who need transportation or a significant
24 increase in the mileage traveled by the school corporation's buses
25 due to students enrolled in special education as compared with the
26 previous year.
- 27 (4) Increased transportation operating costs due to compliance
28 with a court ordered desegregation plan.
- 29 (5) The closure of a school building within the school corporation
30 that results in a significant increase in the distances that students
31 must be transported to attend another school building.

32 In addition, before the ~~department of local government finance~~ **county**
33 **fiscal body** may grant a maximum levy increase, the school corporation
34 must establish that the school corporation will be unable to provide
35 transportation services without an increase. The ~~department of local~~
36 ~~government finance~~ **county fiscal body** may grant a maximum
37 operating costs levy increase that is less than the increase requested by
38 the school corporation.

39 (b) If the ~~department of local government finance~~ **county fiscal**
40 **body** determines that a permanent increase in the maximum
41 permissible levy is necessary, the maximum levy after the increase
42 granted under this section becomes the school corporation's maximum
43 permissible levy under this chapter."

44 Page 589, between lines 18 and 19, begin a new paragraph and
45 insert:

46 "SECTION 691. IC 36-1-14-1, AS AMENDED BY P.L.2-2006,
47 SECTION 190, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2008]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under IC 20-47-1-3.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate **money deposited in the unit's local major moves construction fund under IC 8-14-16**, the proceeds from the sale of a utility or facility, or **the proceeds** from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

(1) The foundation is a charitable nonprofit community foundation.

(2) **Subject to subsection (e)**, the foundation retains all rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent ~~endowment~~ **endowed designated fund or as a nonendowed designated fund**.

(B) ~~Distribute the income from the donation~~ **Except as provided in subsection (e), make distributions** only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

(i) loses the foundation's status as a public charitable organization;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the fiscal body of the unit.

(d) A unit shall, at the time the unit makes a donation to a charitable nonprofit community foundation under this section, specify whether the donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund.

(e) If a unit specifies that a donation shall be held by a charitable nonprofit community foundation as a nonendowed designated fund under subsection (d), the unit shall have access to the donation and income from the donation at any time.

(f) If:

(1) a unit donates certain funds to a charitable nonprofit community foundation under subsection (c);

(2) the purposes for which the funds could be used were restricted before the unit donated the funds to the charitable nonprofit community foundation; and

(3) after the donation, the unit accesses the donated funds or income from the donated funds under subsection (e);

the purposes for which the funds may be used after they are

1 **accessed by the unit are subject to the same restrictions as applied**
 2 **before the funds were donated to the charitable nonprofit**
 3 **community foundation under subsection (c).".**

4 Page 612, between lines 20 and 21, begin a new paragraph and
 5 insert:

6 "SECTION 718. IC 36-7-12-27 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) Bonds issued by
 8 a unit under section 25 of this chapter may be issued as serial bonds,
 9 term bonds, or a combination of both types. The ordinance of the fiscal
 10 body authorizing bonds, notes, or warrants, or the financing agreement
 11 or the trust indenture approved by the ordinance, must provide:

- 12 (1) the manner of their execution, either by the manual or
- 13 facsimile signatures of the executive of the unit and the clerk of
- 14 the fiscal body;
- 15 (2) their date;
- 16 (3) their term or terms, which may not exceed forty (40) years,
- 17 **except as otherwise provided by subsection (e);**
- 18 (4) their maximum interest rate if fixed rates are used or the
- 19 manner in which the interest rate will be determined if variable or
- 20 adjustable rates are used;
- 21 (5) their denominations;
- 22 (6) their form, either coupon or registered;
- 23 (7) their registration privileges;
- 24 (8) the medium of their payment;
- 25 (9) the place or places of their payment;
- 26 (10) the terms of their redemption; and
- 27 (11) any other provisions not inconsistent with this chapter.

28 (b) Bonds, notes, or warrants issued under section 25 of this chapter
 29 may be sold at public or private sale for the price or prices, in the
 30 manner, and at the time or times determined by the unit. The unit may
 31 advance all expenses, premiums, and commissions that it considers
 32 necessary or advantageous in connection with their issuance.

33 (c) The bonds, notes, or warrants and their authorization, issuance,
 34 sale, and delivery are not subject to any general statute concerning
 35 bonds, notes, or warrants of units.

36 (d) An action to contest the validity of bonds, notes, or warrants
 37 issued under section 25 of this chapter may not be commenced more
 38 than thirty (30) days after the adoption of the ordinance approving them
 39 under section 25 of this chapter.

40 **(e) This subsection applies only to bonds, notes, or warrants**
 41 **issued under this chapter after June 30, 2008, that are wholly or**
 42 **partially payable from tax increment revenues derived from**
 43 **property taxes. The maximum term or repayment period for the**
 44 **bonds, notes, or warrants may not exceed:**

- 45 (1) **twenty-five (25) years, unless the bonds, notes, or warrants**
 46 **were:**

47 (A) **issued or entered into before July 1, 2008;**

(B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or
 (C) issued or entered into after June 30, 2008, in order to fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of the bonds, notes, warrants, or other contractual obligations by or with developers, lenders, or units, or otherwise prevent an impairment of the rights or remedies of the holders of the bonds, notes, warrants, or other contractual obligations; or
 (2) thirty (30) years, if the bonds, notes, or warrants were issued after June 30, 2008, to finance:

(A) an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

(B) a part of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6); or

(C) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008.

(f) The general assembly makes the following findings of fact with respect to an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6) that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:

(1) The health, safety, general welfare, and economic and energy security of the people of the state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.

(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.

(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.

(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant."

Page 624, line 21, after "operation" delete "of" and insert "or".

Page 765, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 831. [EFFECTIVE JULY 1, 2008] (a) There is appropriated from the state general fund to the pension relief fund for the period beginning July 1, 2008, and ending June 30, 2009,

1 **forty-eight million six hundred eleven thousand dollars**
 2 **(\$48,611,000) for the payment of pension, disability, and survivor**
 3 **benefits.**

4 **(b) This SECTION expires July 1, 2009."**

5 Page 770, delete lines 18 through 42, begin a new paragraph and
 6 insert:

7 "SECTION 840. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]

8 **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21**
 9 **apply throughout this SECTION.**

10 **(b) An owner entitled to a homestead credit under IC 6-1.1-20.9**
 11 **for property taxes assessed for the March 1, 2007, and January 15,**
 12 **2008, assessment dates is entitled to an additional homestead credit**
 13 **under this SECTION against the property tax liability (as**
 14 **described in IC 6-1.1-21-5) imposed against the taxpayer's**
 15 **homestead for the March 1, 2007, and January 15, 2008,**
 16 **assessment dates.**

17 **(c) The amount of the credit to which an owner is entitled under**
 18 **this SECTION equals the product of:**

19 **(1) the percentage prescribed in subsection (d)(3); multiplied**
 20 **by**

21 **(2) the amount of the individual's property tax liability (as**
 22 **described in IC 6-1.1-21-5) that is:**

23 **(A) attributable to the homestead during the particular**
 24 **calendar year; and**

25 **(B) determined after the application of all deductions from**
 26 **assessed valuation that the owner claims under IC 6-1.1-12**
 27 **or IC 6-1.1-12.1 for property and the property tax**
 28 **replacement credit under IC 6-1.1-21.**

29 **(d) The county auditor of each county shall determine:**

30 **(1) the amount of the county's additional homestead credit**
 31 **allotment determined under subsection (e);**

32 **(2) the amount of uniformly applied homestead credits for the**
 33 **year in the county that equals the amount determined under**
 34 **subdivision (1); and**

35 **(3) the increased percentage of homestead credit that equates**
 36 **to the amount of homestead credits determined under**
 37 **subdivision (2).**

38 **(e) There is granted under this SECTION a total of six hundred**
 39 **twenty million dollars (\$620,000,000) of additional homestead**
 40 **credits. The additional homestead credits shall be distributed to**
 41 **each county as prescribed in subsection (f). Before distribution, the**
 42 **department of local government finance shall certify each county's**
 43 **additional homestead credit allotment to the department of state**
 44 **revenue and to each county auditor.**

45 **(f) Each county's certified additional homestead credit**
 46 **allotment, which shall be calculated by the budget agency, shall be**
 47 **determined under the following STEPS:**

48 **STEP ONE: For each county, determine the total of state**

homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by six hundred twenty million dollars (\$620,000,000).

(g) Each county's additional homestead credit allotment authorized in this SECTION shall be distributed to that county not less than two (2) weeks after the county mails a property tax bill for which the additional homestead credit under this SECTION is granted.

(h) In addition to any other appropriation made to the property tax replacement fund board under P.L.234-2007, there is appropriated to the property tax replacement fund board six hundred twenty million dollars (\$620,000,000) from the state general fund to make distributions for the additional homestead credits provided by this SECTION for property taxes assessed for the March 1, 2007, and January 15, 2008, assessment dates. The appropriation in this subsection is not subject to the limit in P.L.234-2007 on distributions from the property tax replacement fund. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, the budget agency, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 841. [EFFECTIVE JULY 1, 2008] (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2008, and January 15, 2009, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular

- 1 calendar year; and
- 2 **(B) determined after the application of all deductions from**
- 3 **assessed valuation that the owner claims under IC 6-1.1-12**
- 4 **or IC 6-1.1-12.1 for property and the property tax**
- 5 **replacement credit under IC 6-1.1-21.**
- 6 **(d) The county auditor of each county shall determine:**
- 7 **(1) the amount of the county's homestead credit allotment**
- 8 **determined under subsection (e);**
- 9 **(2) the amount of uniformly applied homestead credits for the**
- 10 **year in the county that equals the amount determined under**
- 11 **subdivision (1); and**
- 12 **(3) the percentage of homestead credit that equates to the**
- 13 **amount of homestead credits determined under subdivision**
- 14 **(2).**
- 15 **(e) There is granted under this SECTION a total of one hundred**
- 16 **million dollars (\$100,000,000) of homestead credits. The homestead**
- 17 **credits shall be distributed to each county as prescribed in**
- 18 **subsection (f). Before distribution, the department of local**
- 19 **government finance shall certify each county's homestead credit**
- 20 **allotment to the department of state revenue and to each county**
- 21 **auditor.**
- 22 **(f) Each county's certified homestead credit allotment, which**
- 23 **shall be calculated by the budget agency, shall be determined under**
- 24 **the following STEPS:**
- 25 **STEP ONE: For each county, determine the total property tax**
- 26 **liability of all homestead properties in the county for the most**
- 27 **recent calendar year before the application of any credits.**
- 28 **STEP TWO: For each county, determine the total property**
- 29 **tax liability of all homestead properties resulting from**
- 30 **property tax levies that are eliminated or replaced by this act**
- 31 **for the most recent calendar year, before the application of**
- 32 **any credits.**
- 33 **STEP THREE: Subtract the STEP TWO amount from the**
- 34 **STEP ONE amount.**
- 35 **STEP FOUR: Determine the sum of the amounts determined**
- 36 **under STEP THREE.**
- 37 **STEP FIVE: Divide the amount determined in STEP THREE**
- 38 **by the amount determined in STEP FOUR.**
- 39 **STEP SIX: Multiply the result of STEP THREE by one**
- 40 **hundred million dollars (\$100,000,000).**
- 41 **(g) Each county's homestead credit allotment authorized in this**
- 42 **SECTION shall be distributed to that county not less than two (2)**
- 43 **weeks after the county mails a property tax bill for which the**
- 44 **homestead credit under this SECTION is granted.**
- 45 **(h) In addition to any other appropriations, there is**
- 46 **appropriated one hundred million dollars (\$100,000,000) from the**
- 47 **state general fund to make distributions for the homestead credits**
- 48 **provided by this SECTION for property taxes assessed for the**

1 March 1, 2008, and January 15, 2009, assessment dates. Money
 2 distributed under this subsection shall be treated as property taxes
 3 for all purposes.

4 (i) The department of local government finance, the department
 5 of state revenue, and the budget agency shall take the actions
 6 necessary to carry out this SECTION. The department of local
 7 government finance and the budget agency shall make the
 8 certifications required under this SECTION based on the best
 9 information available at the time the certification is made.

10 SECTION 843. [EFFECTIVE JULY 1, 2008] (a) The definitions
 11 in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21
 12 (before its repeal) apply throughout this SECTION.

13 (b) A taxpayer that is entitled to a standard deduction under
 14 IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009,
 15 and January 15, 2010, assessment dates is entitled to a homestead
 16 credit under this SECTION against the property tax liability (as
 17 described in IC 6-1.1-21-5 (before its repeal)) imposed against the
 18 taxpayer's homestead for the March 1, 2009, and January 15, 2010,
 19 assessment dates.

20 (c) The amount of the credit to which an owner is entitled under
 21 this SECTION equals the product of:

22 (1) the percentage prescribed in subsection (d)(3); multiplied
 23 by

24 (2) the amount of the individual's property tax liability (as
 25 described in IC 6-1.1-21-5 (before its repeal)) that is:

26 (A) attributable to the homestead during the particular
 27 calendar year; and

28 (B) determined after the application of all deductions from
 29 assessed valuation that the owner claims under IC 6-1.1-12
 30 or IC 6-1.1-12.1 for property and the property tax
 31 replacement credit under IC 6-1.1-21.

32 (d) The county auditor of each county shall determine:

33 (1) the amount of the county's homestead credit allotment
 34 determined under subsection (e);

35 (2) the amount of uniformly applied homestead credits for the
 36 year in the county that equals the amount determined under
 37 subdivision (1); and

38 (3) the percentage of homestead credit that equates to the
 39 amount of homestead credits determined under subdivision
 40 (2).

41 (e) There is granted under this SECTION a total of one hundred
 42 million dollars (\$100,000,000) of homestead credits. The homestead
 43 credits shall be distributed to each county as prescribed in
 44 subsection (f). Before distribution, the department of local
 45 government finance shall certify each county's homestead credit
 46 allotment to the department of state revenue and to each county
 47 auditor.

48 (f) Each county's certified homestead credit allotment, which

shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by one hundred million dollars (\$100,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county not less than two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.

(h) In addition to any other appropriations, there is appropriated one hundred million dollars (\$100,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made."

Page 771, delete lines 1 through 32.

Page 773, delete lines 21 through 30, begin a new paragraph and insert:

"SECTION 847. [EFFECTIVE JUNE 1, 2008] (a) The tuition reserve account in the state general fund established by IC 4-12-1-12(b) is abolished on June 30, 2008. The auditor of state shall transfer the balance of the reserve account established by IC 4-12-1-12(b) on June 30, 2008, to the state tuition reserve fund.

(b) On the date specified by the budget director, but not later than December 31, 2008, the auditor of state shall transfer twenty-five million dollars (\$25,000,000) from the unrestricted balances of the state general fund to the state tuition reserve fund for the purposes of the fund.

(c) In addition to the transfer required by subsection (b), on the date specified by the budget director, but not later than December 31, 2009, the auditor of state shall transfer twenty-five million dollars (\$25,000,000) from the unrestricted balances of the state general fund to the state tuition reserve fund for the purposes of the fund."

Page 774, line 11, after "hundred" insert "fifty-two".

- 1 Page 774, line 11, after "thousand" insert "**six**".
 - 2 Page 774, line 12, delete "(\$2,500,000)" and insert "**(\$2,552,006)**".
 - 3 Page 774, line 17, delete "two hundred fifty thousand" and insert
 - 4 "**three hundred thousand three hundred eighty-five**".
 - 5 Page 774, line 18, delete "(\$1,250,000)" and insert "**(\$1,300,385)**".
 - 6 Page 774, between lines 20 and 21, begin a new paragraph and
 - 7 insert:
 - 8 "SECTION 853. [EFFECTIVE JULY 1, 2008] **(a) In addition to**
 - 9 **any other appropriation, there is appropriated to the department**
 - 10 **of education from the state general fund ten million dollars**
 - 11 **(\$10,000,000) for the state fiscal year beginning July 1, 2008, and**
 - 12 **ending June 30, 2009, to make new facility adjustment**
 - 13 **distributions that are approved by the department of local**
 - 14 **government finance under IC 20-43-11.5, as added by this act.**
 - 15 **(b) This SECTION expires July 1, 2010.**
 - 16 Page 776, between lines 26 and 27, begin a new paragraph and
 - 17 insert:
 - 18 "SECTION 855. [EFFECTIVE UPON PASSAGE]
 - 19 **IC 6-3.5-1.1-26(j) and IC 6-3.5-6-32(k), both as added by this act,**
 - 20 **apply to property taxes first due and payable after December 31,**
 - 21 **2007.**".
 - 22 Page 777, line 12, delete ", the replacement of any portion of a
 - 23 property".
 - 24 Page 777, line 13, delete "tax levy by state payments by this act,".
 - 25 Page 777, delete lines 15 through 42.
 - 26 Delete page 778.
 - 27 Page 779, delete lines 1 through 2.
 - 28 Renumber all SECTIONS consecutively.
- (Reference is to EHB 1001 as printed February 20, 2008.)

Senator KENLEY